

New College Durham

Gender Pay Reporting as at 31 March 2020

1. Introduction and Background

This fourth annual Gender Pay Report provides a breakdown of the College's gender pay gap based on the snapshot date of 31 March 2020.

The purpose of this Gender Pay Report is to show the difference in the average earnings between males and females. Pursuant to the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.

The College will publish this information on its website by unlikely previous years it will not submit this data to government online (using the gender pay gap reporting service) given at the start of the pandemic the Government suspended this reporting process for 12 months.

As detailed in previous reports, there are six calculations that the College is required to report on. These are:

- Average gender pay gap as a mean average;
- Average gender pay gap as a median average;
- Average bonus gender pay gap as a mean average;
- Average bonus gender pay gap as a median average;
- Proportion of males receiving a bonus payment and proportion of females receiving a bonus payment;
- Proportion of males and females when divided into four groups ordered from lowest to highest pay.

A breakdown of these specific calculations can be found at Annex A of this report.

2. Scope of Report

- The data for this exercise has been taken from March's payroll which includes the snapshot date of 31 March 2020.
- The data includes all employees who are paid on a substantive or fixed term basis as well as College Supply Pool employees;
- For supply pool staff who do not have a regular number of weekly working hours an average of the number of hours worked over the preceding 12-week period has been taken;

- The data includes basic pay, allowances (including Market Rate Supplement (MRS) payments)) and shift pay premiums;
- The data does not include overtime pay, redundancy or termination payments, nor does it include non-cash benefits such as those paid for through salary sacrifice;
- For the purposes of this report (as specified in the Regulations) a pay period of one month equates to 30.44 days;
- The Regulations create two categories of people that should be taken into account in gender pay reporting: relevant employees and relevant full-pay employees;
 - A relevant employee is each individual job-holder employed by the College at the snapshot date (31 March 2020). This equates to a total of 674 employees of which 231 are males (34.3%) and 443 are females (65.7%).
 - A full-pay relevant employee is one who is employed by the College and is receiving “full pay” during the specified pay period. Where a member of staff is being paid less than usual rate of pay or zero (i.e. due to maternity, sickness) then they are not classed as a “full-pay relevant employee” for the purposes of this report. This equates to 642 employees of which 226 are males (35%) and 416 are females (65%).

3. New College Durham Results as at 31 March 2020

3.1 The Mean Gender Pay Gap

The mean hourly rate of pay for all male full-pay relevant employees is £17.72.
The mean hourly rate of pay for all female full-pay relevant employees is £15.07.

The mean gender pay gap therefore equates to 14.95%

3.2 The Median Gender Pay Gap

The median hourly rate of pay for all male full-pay relevant employees is £18.01.
The median hourly rate of pay for all female full-pay relevant employees is £13.32.

The median gender pay gap therefore equates to 26.04%

Table 1 provides a history of the mean/median hourly rates for the last three years.

Table 1: Mean/Median Hourly Rates for 2018-2020

	2018	2019	2020
Mean Hourly Rate (Male)	£16.71	£16.90	£17.72
Mean Hourly Rate (Female)	£14.23	£14.21	£15.07
Median Hourly Rate (Male)	£17.51	£17.31	£18.01
Median Hourly Rate (Female)	£12.46	£12.65	£13.32

3.3 The Mean Bonus Gender Pay Gap

The College does not make bonus payments

3.4 The Median Bonus Gender Pay Gap

The College does not make bonus payments

3.5 The Proportion of Males and Females receiving a Bonus Payment

The College does not make bonus payments

3.6 The Proportion of Males and Females in each Quartile Band

- Of the 161 relevant full-pay employees in the lower quartile, 43 are male and 118 are female. This means that 26.7% are male and 73.3% are female;
- Of the 160 relevant full-pay employees in the lower middle quartile, 40 are male and 120 are female. This means that 25% are male and 75% are female;
- Of the 161 relevant full-pay employees in the upper middle quartile, 71 are male and 90 are female. This means that 44.1% are male and 55.9% are female;
- Of the 160 relevant full-pay employees in the upper quartile, 72 are male and 88 are female. This means that 45% are male and 55% are female.

4. Conclusion

When discussing the gender pay gap, focus is generally given to the **median** figure rather than the **mean** figure.

The **mean** is calculated by adding up all of the hourly rates of pay of all employees and dividing that figure by the number of employees. This figure alone can therefore be misleading when taken alone if there are a small number of high paid individuals.

The **median** figure is the number that falls in the middle of a range when all employees' hourly rates are lined up from smallest to largest and is more representative when there is a lot of variation in pay.

Table 2 provides a comparison of the key measures of gender pay (mean and median) from 2018 to 2020.

Table 2: Mean and Median Measures from 2018-2020

	2018	2019	2020
Mean Gender Pay Gap (%)	14.84	15.92	14.95
Median Gender Pay Gap (%)	28.84	26.92	26.04

The College's gender pay gap as at March 2020 (based on the median figure) was 26.04%.

It was reported in last year's report that the gender pay gap for all employees as at April 2019 was 17.3% (Source: House of Commons Briefing paper – entitled *The Gender Pay Gap*, dated 02 January 2020). Within the Education sector the average pay gap, was reported as 20.1%, based on the data submissions of 10,463 organisations. The College's gender pay gap is therefore higher than these national averages. That said, the College has seen a slight drop over the past two reporting periods.

It is noted that in June 2019, a detailed analysis in respect of gender pay reporting was presented to the Strategy & Resources Committee. That Report provided an explanation for these higher than average figures. Within the 2019 report, it was noted that in our pursuit of best HR practice, New College Durham has introduced most of the Government's recommended actions to close any pay gap and did so prior to any legal obligation to report on gender pay data.

Such practices include:

1. Having multiple females in shortlists for recruitment and promotion (subject to all candidates meeting the essential/desirable elements of the person specification).
2. The use of skill-based assessment tasks in recruitment.
3. The use of structured interviews for recruitment and promotions.
4. Encouraging salary negotiation by showing salary ranges.
5. Introducing transparency to promotion, pay and reward processes.
6. Appointing diversity managers and/or diversity task forces.
7. Having diverse selection panels.

There is very little benchmarking data available for this year which in part is likely to be attributable to the government’s decision to suspend enforcement of gender pay gap reporting for the period 2019/2020. This decision was announced on 24 March 2020 in light of the unprecedented uncertainty that the country faced surrounding COVID. At the time of the announcement, 3000 employers had already reported their data via the gov.uk website which accounted for 26% of expected reports. The College was one of these organisations who published their gender pay data by this time.

The report presented to the Strategy & Resources Committee in June 2019, provided a detailed analysis in respect of gender pay reporting and provided a rationale for the College’s gender pay gap. That analysis is still reflective of the College’s current position in terms of our gender pay gap and indeed there continues to be an imbalance in representation across all quartiles, with a significant volume of females in the lower quartiles.

Table 3 below provides an overview of the gender distribution of staff across the quartiles for the period 2018-2020.

Table 3: Gender Distribution across the Quartiles for the period 2018-20

	2018		2019		2020	
	Male %	Female %	Male %	Female %	Male %	Female %
Lower Quartile	27	73	26.47	73.53	26.7	73.3
Lower Middle Quartile	26.9	73.1	27.06	72.94	25	75
Upper Middle Quartile	45.5	54.5	40	60	44.1	55.9
Upper Quartile	40.1	59.9	43.53	56.47	45	55

For the current period (2020) it is noted that the lower quartile remains consistent with a split of 73% female and 27% male. A pattern that has continued over the past three years. However, this year there has been a slight increase (2.06%) in the number of females located in the lower middle quartile, and a slight decline in female numbers at both the upper middle and upper quartiles (4.1% and 1.47% respectively).

There are significant variations in the number of men and women employed at different grades across the College. The College employs a significantly higher number of females than males in general. However, the distribution of these staff across the College shows that more females are employed in roles that lie within the lower quartiles – typical roles in these quartiles include, cleaning operatives, administration and reception staff as well as Learning Support Assistants /Personal Learning Coaches/Classroom Support Coaches. The data therefore shows that the female median is significantly impacted by

women in these support roles. The extent to which women are represented within these roles appears to be the main driving force behind the College's gender pay gap.

It has been detailed previously that the government has issued guidance on recommended actions to close the pay gap. All of which have been actioned by the College and have been in place prior to any legal requirement to report our gender pay data. That said, notwithstanding the College having these actions in place, it has still resulted in reporting a higher than average pay gap. As detailed above, this is due to the significant disproportionate number of female staff employed in posts that lie within the lower quartiles.

Members are encouraged to read this report alongside the Gender Pay Reporting Report of 19 June 2019, which provided a detailed examination of Gender Pay.

It is important to reference again that gender pay reporting is not a measure of equal pay.

The College has undertaken two Equal Pay Audits and has an analytical job evaluation system in place which was last reviewed in 2014 (ACAS recommend that such a review takes place every 10 years). The College will undertake its next Equal Pay Audit in 2023 to ensure the principle of equal pay for equal work continues to be upheld within the College.

Karl Fairley
Deputy Chief Executive

Annex A

Calculations

The calculations that have been utilised for this exercise are in accordance with those published in the regulations.

1. The Mean Gender Pay Gap

This calculation shows the difference between the mean hourly rate of pay that male and female full-pay relevant employees receive.

The calculation used is:

$$\frac{(A - B)}{A} \times 100$$

A is the mean hourly rate of pay of all male full-pay relevant employees.

B is the mean hourly rate of pay of all female full-pay relevant employees.

The result is expressed as a percentage.

2. The Median Gender Pay Gap

This calculation shows the difference between the median hourly rate of pay that male and female full-pay relevant employees receive.

The calculation used is:

$$\frac{(A - B)}{A} \times 100$$

A is the median hourly rate of pay of all male full-pay relevant employees.

B is the median hourly rate of pay of all female full-pay relevant employees.

The result is expressed as a percentage.

3. The Mean Bonus Gender Pay Gap

This calculation shows the difference between the mean bonus pay that male and female relevant employees receive.

The calculation used is:

$$\frac{(A - B)}{A} \times 100$$

A is the mean bonus pay of all male relevant employees who were paid bonus during the 12-month period ending with the snapshot date.

B is the mean bonus pay of all female relevant employees who were paid bonus during the 12-month period ending with the snapshot date.

Female and male relevant employees who were not paid bonus pay during the 12-month period ending with the snapshot data are not included.

The result is expressed as a percentage.

4. The Median Bonus Gender Pay Gap

This calculation shows the difference between the median bonus pay that male and female relevant employees receive.

The calculation used is:

$$\frac{(A - B)}{A} \times 100$$

A is the median bonus pay of all male relevant employees who were paid bonus during the 12-month period ending with the snapshot date.

B is the median bonus pay of all female relevant employees who were paid bonus during the 12-month period ending with the snapshot date.

Female and male relevant employees who were not paid bonus pay during the 12-month period ending with the snapshot data are not included.

The result is expressed as a percentage.

5. The Proportion of Males and Females receiving a Bonus Payment

These calculations show the proportion of male relevant employees who were paid any amount of bonus pay, and the proportion of female relevant employees who were paid any amount of bonus pay.

The first part of the calculation is:

$$\frac{A}{B} \times 100$$

A is the number of male relevant employees who were paid bonus pay during the 12-month period ending with the snapshot data.

B is the number of male relevant employees

The second part of the calculation is:

$$\frac{C}{D} \times 100$$

C is the number of relevant female employees who were paid bonus pay during the 12-month period ending with the snapshot data.

D is the number of female relevant employees.

6. The Proportion of Males and Females in each Quartile Band

This calculation shows the proportions of male and female full-pay relevant employees in four quartile pay bands, which is done by dividing the workforce into four equal parts.

The calculations used are:

Part 1

$$\frac{A}{C} \times 100$$

Part 2

$$\frac{B}{C} \times 100$$

A is the number of male full-pay relevant employees in the quartile.

B is the number of female full-pay relevant employees in the quartile.

C is the total number of employees in the quartile.